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Federal Communications Commission
Office of the Secretary

Dear Sharon,

Thanks for the offer to sit down with a group of WISPs for a discussion about USF. It's one of the most important issues we've faced thus far. Unfortunately due to the timing of many things including WISPApalooza we were unable to get to you within the required time frame. I sure wish we could have gotten you or someone from your team to the show! We ended up with roughly 700 folks there! Easily the largest WISP event ever and one of the largest ISP events to take place in a very long time.

Having said that I'd like to take a few minutes and put my personal thoughts and what I believe the average WISP is thinking to paper. As one of the WISPA members that has been working on our USF views I believe I also have a pretty good handle on what our industry is thinking.

One of the amazing things that came out of the show was some new mapping work that's been done by Brian Webster. Using government data we can show that nearly 75% of the state of Texas is ONLY covered by WISPs! Some of the recent work he's done can be found in a White paper that was also released at the show: <http://www.wirelesscowboys.com/wp-content/uploads/2011/10/americas-broadband-heroes-fixed-wireless-2011.pdf> The graphs and tables start on page 19 if you'd like to bypass the rest of the document.

This in spite of the fact that the vast majority of WISPs get no government or investor funding. We are self funded, often organically. In fact, we often have to build our networks while in direct conflict with companies that ARE government funded.

So what do WISPs want to see with USF reform? Nothing. It's an antiquated concept that's needed in nearly no areas of the country today. Cell phones, fixed wireless and satellite (such as it is) service can meet people's needs (if not always their wants) for far less money than any line based technology out there. They can also light up new areas much faster. We've been able to reach millions of rural users without government money, it's not our fault that the incumbent operators haven't been willing to invest in new technologies that are less expensive to deploy and maintain.

We're not, however, naive enough to think that the government will shut down a multi-billion dollar program. It's not been done before and won't likely be done now.

So what should be done? That's the tough part. Clearly the views of my peers are to **Do No Harm**. Make sure that any changes that do happen are well thought out and won't slow down the amazing progress that's being made today. We don't need to go back to the AT&T mind set that kept DSL services from the public from the 60's when it was really created until the '96 telecom act created a competitive environment that forced the issue.

Not to unduly pick on my upstream, but I have some examples of what I don't think should be allowed to happen moving forward. I'm using Century Link, I've done business with and against them since 1997 when I started my ISP. I guess I really started doing business against them in 1999 or 2000 when I started the WISP.

Depending on who you talk to Century Link gets from \$60 to \$110 per month in USF funds per phone line in my area. USF is a cost recovery mechanism right? Designed primarily for companies that are mainly rural so that high costs markets can be serviced at more reasonable rates, similar to the rates in the "big city". OK, I don't think that's always a bad thing.

So how does a company that's eligible for USF get the funds to buy some of our nation's largest phone companies? Embarq and Quest. Both within less than a decade! On top of that they told us at a meeting the other

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day (NOAnet meeting in Davenport Wa.) that they have a \$4,000,000,000 per year revenue stream and are sitting on just under \$1,000,000,000 cash in the bank!

Yet the ¼ mile phone line feeding my house laid on the ground for at least 3 years. The mice and coyotes were constantly chewing the cable up and every time it rained my phones went out. I know of other line in this area that have been ground lay for 7 years now.

How can a company do such a two bit job for it's customers, claim to be in a high cost area, buy two of it's largest peers AND put a BILLION DOLLARS in the bank? By gaming the system. Yeah it's harsh to come right out and say that, but what other *honest* answer is there?

So here's the fear, in a nutshell. USF will be changed to the "New and Improved" CAF. All of the news outlets will pick it up and talk about how everyone will now get broadband, just like phone and electricity. But it'll still be half baked services similar to the phone service (still no caller ID, voice mail etc. in many places where I live) provided by a few large dishonest companies.

Another example of such abuse of the system is Hemmingford Telephone Co. in Nebraska. A company known to Matt Larsen of Vistabeam. In this town of 700 the local telco gets USF funds of roughly \$120,000 per month! That's \$171 per month for every man, woman and child in town. With an average of 2.3 people per home it works out to nearly \$400 per month per building in town. (<http://www.wirelesscowboys.com/?p=217>)

To put this in perspective, I can install hardware that will deliver 15 to 20 megs of internet to 350 homes for less than \$20,000. How do I know this? My home town of Odessa Wa. has 350 structures in town and I cover roughly half of them and the currently installed gear costs even less than that.

I've been able to compete with Century Link thus far. The customer is forced to buy phone services from the telco in order to get DSL. Either that or pay nearly twice the normal fee. Why would the telco put that requirement on the consumer? Because USF will pay to maintain PHONE LINES not DSL lines. Without the subsidies the telco can't sustain it's business model. Remember, that business model does not always include service, see the above examples of long term "temporary" ground lay "repair" work that they've got in this area alone. Here's how desperate they seem to be to keep the subsidies. In a clear attempt to keep even more people from dropping land lines in favor of cell phones, then using other internet mechanisms as well, Century Link has started to advertise \$20 internet with a 5 year price guarantee. Now how can they do that on dry pair lines that they charge me \$70 per month for? Aren't they supposed to charge themselves the same as what they charge me for access to the network? OK, so there are rules that by-pass that requirement sometimes but in the end it's just more gaming of the system.

In the early days (1998) I did DSL in Odessa, but without the phone company's dslam. I put in my own hardware and just rented the wires from (at the time) PTI (now Century Link). The cost of those lines? Around \$25 or \$30 per month as I recall. \$12.50 from me to the CO and another \$12 or \$13 to the customer. Those prices lasted until they put a DSL system in, suddenly lines that had been cheap (LANA or BANA) for many many years were more expensive than the retail price of DSL services! How could that be? More gaming of the system. Now, do I hold that against the telco? Not really, it's their wires. The problem is, WE bought them so we should all have reasonable access to them. Or else let them use some of that \$1 billion in the bank and take ownership of their network lock stock and barrel no more subsidies!

Here's my fear. CAF will be nothing but an expansion of the USF program. Oh all the right things will be said, but just like BIP and BTOP the programs will be designed for and around the same ol' bunch of players. It'll be exclusive deals because the government won't fund more than one competitor in an area (like the current RUS programs) etc. How goofy is that? To set a goal of great service in cutting edge technologies then rule out any chance of competition? Competition is what drives innovation up and prices down!

If CAF works like the usual program the average WISP won't be able to participate. Not that we want to, but if the telco does we'll likely have to. But the programs (historically) will be so cumbersome, paperwork intensive (BTOP estimates were 100+ manhours per grant application and many people have told me it's far more

than that!) and just plain silly. I talked to a WISP down at WISPApalooza that is a stimulus fund recipient. He keeps getting in trouble for not filing his fiber build out miles with the ARRA folks. He's told them over and over that he's NOT doing a fiber deployment but a fixed wireless one. But they still get nasty with him because he doesn't report the miles installed. Some people should NOT be in positions of authority. Whoever keeps demanding fiber installation info for a non fiber contract needs to be fired because they are too stupid to have a job beyond that of a janitor.

This is the life a rural WISP leads. We've worked hard for many years to bring advanced communications to our communities. We've been creative and designed networks and systems that allow us to do more for less. We'll go where no one else wants to go. We'll do it without outside funds. In many cases we do it against those that haven't built such networks even with outside funds.

Now we may wake up on October 28th to find that our ability to even stay in business is gone. Our amazing flame snuffed out by our own government. Not because we've done something wrong, oh no. But because we've just not done enough yet!

Or perhaps because we've not bragged enough about the amazing things we have done. Things like the 4 mile wireless link to expand a fiber node from where it stopped to a house that now has 30 megs of internet. What did that 4 mile link cost? \$800. Installed. Or the tiny town of Marlin Washington, population 60, that had to invest a whopping \$1000 of it's own money so that we could bring internet to the town. Oh yeah, speed tests there tend to run in the 6 to 10 mbps range, both directions.

I beg of you. First, ***do no harm***. Foster modern competition by shutting down most of the USF system and don't replace it with anything. That's just not needed anymore. But if you do insist on expanding USF into broadband make sure that the program is simple and accessible to everyone that actually services customers.

Sincerely,

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